



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

February 14, 2012

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**OVERSIGHT BOARDS FOR REDEVELOPMENT SUCCESSOR AGENCIES -
APPOINTMENTS AND SUPPORT
AND APPROVAL FOR INTERIM ORDINANCE AUTHORITY AND APPROPRIATION
ADJUSTMENT
(ALL DISTRICTS AFFECTED) (3 VOTES)**

SUBJECT

Recommendation to approve a workplan, timeline, appointment mechanism and policies for appointing County members to oversight boards which will oversee the activities of successor agencies to redevelopment agencies which were dissolved under the provisions of ABx1 26, and to approve immediate hiring authority and an appropriation adjustment for the Executive Officer of the Board of Supervisors to provide administrative support to the oversight boards.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve in concept a recommended workplan and timeline for appointing members to oversight boards which will oversee the activities of successor agencies to redevelopment agencies which were dissolved under the provisions of ABx1 26.
2. Approve an appointment mechanism for your Board's appointments to the oversight boards.

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3. Approve policies governing nominations and appointments to oversight boards.
4. Approve interim ordinance authority for the Executive Office of the Board of Supervisors, pursuant to County Code Section 6.06.020, for one (1.0) Head, Commission Services; two (2.0) Head Board Specialists; and four (4.0) Senior Board Specialists to enable the Executive Office to undertake administration of the oversight boards. In addition, we are requesting backfill authority to fill any vacancy from internal appointments to these positions.
5. Approve an appropriation adjustment in the amount of \$427,000 which includes \$247,000 for salaries and employee benefits, and \$180,000 for services and supplies to support the first five months of the five-year dissolution plan. The appropriation will be funded with intrafund transfer.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 17, 2012, among other actions regarding implementation of ABx1 26 (dissolution of community redevelopment agencies), your Board directed this Office, in conjunction with the Auditor-Controller, County Superintendent of Education, and special districts who will have authority to make appointments to oversight boards under the terms of ABx1 26, to report back to your Board no later than February 7, 2012 with a recommended mechanism for making such appointments. On February 3, 2012, based on discussions with your offices and County departments, we requested a one-week extension.

On February 1, 2012 Redevelopment Agencies (RDAs) in the State of California were dissolved according to ABx1 26. All assets and properties of the former RDAs that were funded by tax increment are to be expeditiously disposed of. For all 71 former RDAs in the County, with the exception of the City of Los Angeles, the host cities have become the former agencies' successor agencies. (The City of Los Angeles has opted not to assume this role, and a three-member successor agency has been appointed by the Governor to fulfill this role.)

The actions of the successor agencies will be directed and approved by an oversight board, consisting of seven members appointed by:

- The County Board of Supervisors (2) – one representing the County and one a member of the public;
- The city that formed the RDA (2) – one representing the city and one representing the former agency employees (note that for County unincorporated areas, per ABx1 26 as it applies to the County, one "city" appointment will be

made by the County Superintendent of Education, while the other [who must represent the employees of the former redevelopment agency], would be made by your Board);

- The largest special district by property tax share in the former agency's jurisdiction (1);
- The County Board of Education (1); and
- The Community College District (1).

In all but 11 of the 71 former RDAs, a County special district, under the direction of your Board, is the largest special district under the terms of the law. Therefore, based on the two Board appointments and 60 special district appointments, your Board will need to make 202 appointments. To the extent some or all appointees serve on multiple oversight boards (i.e., up to five each), the total number of "unique" appointments may be significantly less.

Oversight boards shall:

- Have fiduciary responsibilities to holders of enforceable obligations of the former RDA and to the taxing entities that benefit from distributions of property tax as the assets and obligations of the former RDAs are wound down. The legally enforceable obligations of the former RDAs (bonds, contracts) will continue to be paid, but the excess property tax remaining after those payments will be distributed to the taxing entities (schools, county, city, etc.) to fund basic government services.
- Serve without compensation or reimbursement of expenses; may serve on up to five oversight boards; and will have personal immunity from suit for their actions taken as oversight board members. Each member of an oversight board will serve at the pleasure of the entity that appointed them. Commencing on July 1, 2016, the 71 oversight boards in the County will be replaced by a single oversight board.

Recommendations

Below are recommendations for your Board's consideration to approve a workplan, timeline, appointment mechanism and policies to govern County appointments to oversight boards.

Workplan and Timeline

Attachment I includes a recommended Workplan and Timeline for making County appointments to the oversight boards, coordinating with other appointing entities,

and preparing to convene and support the boards. We are recommending your Board's approval in concept as minor adjustments may need to be made as the process unfolds. We have every intention of accelerating the timeline wherever feasible.

Appointment Mechanism

Regarding an appointment mechanism for the County's appointments (the two County appointments and the County special district appointment), we recommend that each Supervisor nominate oversight members for successor agencies in their district, to be confirmed by your full Board, except those relating to the City of Los Angeles Successor Agency and the County's Community Development Commission, discussed below. County staff will provide the Board with lists of potential nominees for their consideration.

CDC and LA City

For CDC and LA City, we are proposing that the Supervisorial Districts with the greatest number of projects areas from those agencies nominate the members of those oversight boards:

- For CDC, the three County nominations would be made by Districts 1, 2, and 5. (The "city" appointments would be made by the County Superintendent of Education and your Board as described above.)
- For LA City, nominations would be made by Districts, 1, 2 and 3.

Policies

The following are policies of the Los Angeles County Board of Supervisors pertaining to nominations and appointments for County or special district (where the Board of Supervisors serves as the governing body of a special district) members to oversight boards which will oversee the activities of redevelopment successor agencies under the provisions of ABx1 26:

1. Appointees should represent the interests of the County of Los Angeles, the holders of enforceable obligations of the former RDA, and the taxing entities that benefit from distributions of property tax as the assets and obligations of the former RDAs are wound down. As cities are provided the authority to make two separate appointments to such oversight boards to represent their

interests, the County should not appoint members clearly representing city interests, including mayors, council members, city managers, city employees or contractors/consultants closely aligned with cities.

2. County employees may be appointed to oversight boards (except for the "member of the public" appointment), and may receive their normal salary for fulfilling duties associated with such appointment.
3. The appointee representing the County (as opposed to the "member of the public" appointee) need not be a County official or employee.
4. Members of the Board of Supervisors may be appointed to oversight boards (except for the "member of the public" appointment), and may receive their normal salary for fulfilling duties associated with such appointment. (Please note, County Counsel is seeking conclusive clarification on this issue.)
5. Members appointed representing a Board-governed special district do not need to be employees of, or affiliated, with the special district.
6. Appointees do not need to reside in the County of Los Angeles.
7. Desirable qualifications for appointees include the following:
 - **Specific Skills.** Some accounting, audit, legal or finance background would be helpful, as one of the primary tasks of the oversight boards will be to analyze the list of enforceable obligations submitted by the successor agencies, and to approve only those that are deemed to be legally enforceable.
 - **Availability.** Actions related to the critical roles of the oversight boards will require a quorum, so meeting attendance will be essential. Oversight board meetings will be public, Brown Act meetings, and could include evening meeting times. The work and meeting frequency of each oversight board will vary depending on the size and complexity of the former RDA.
 - **Independence.** It is anticipated that disputes will arise with successor agencies over which obligations should be covered. It is important to stress that oversight boards are not policy-making bodies. Rather, they will be required to uphold their fiduciary responsibilities using the definition of a legal obligation as it is defined in the law, not as negotiated with cities. It is possible that the oversight board meetings will be attended by numerous groups who wish to see the activities of the former RDAs be continued, contrary to the instructions contained in the law.

Exemptions from this policy require a majority vote of the Board of Supervisors.

The Executive Officer of the Board has sent a letter to each successor agency in the County to coordinate on the establishment of the oversight boards, offering administrative support for convening the meetings of the boards and scheduling orientation/training sessions. The training sessions will include Brown Act meeting requirements (coordinated by the Executive Office of the Board), as well as guidance on oversight responsibilities under the law (we are securing consultant assistance to provide this training). We believe that consistency in support of the operations of the 71 boards would enhance their productivity and no other agency is better situated to provide this support than the County of Los Angeles.

As outlined in Attachment II, the Executive Office of the Board proposes the addition of 7.0 positions to provide appropriate levels of support to the oversight boards. Consistent with the staffing structure for the City Selection Committee, the Executive Office would divide the 71 agencies into four regional sectors, with two teams responsible for supporting the meetings that would continue until 2016. Due to the greater upfront workload, we also propose utilization of temporary clerical and 120-day retiree staff to support the oversight boards during the first year of establishment, as the panels review audit findings and recommendations and make determinations of enforceable obligations.

It is estimated that 10,480 hours of temporary/120-day service hours of support will be necessary. For Year 1, the total cost will be \$902,434 for which we are requesting five months of funding in the amount of \$427,000 for FY 2011-12. This includes the Salaries and Employee Benefits (S&EB) for the 7.0 positions and Services and Supplies (S&S). For Year 2, the cost will be reduced to \$805,034, largely due to the reduction of the temporary/120-day staff. In year three, the cost will decrease to \$680,234, again as a result of the elimination of temporary/120-day staff.

As the successor agencies disband, the Executive Officer will reduce the added staffing through attrition. These positions will be red-tagged to ensure follow up over the next several years. We believe that the proposed staffing model and associated costs will be sufficient to ensure oversight and continuity of the 71 Oversight Boards throughout the County.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the Fiscal Management Initiative under Goal 1 of the Strategic Plan: Operational Effectiveness.

FISCAL IMPACT/FINANCING

The appropriation adjustment for FY 2011-12, in the amount of \$427,000, will provide spending authority for S&EB in the amount of \$247,000 and S&S in the amount of \$180,000 to implement the recommended actions (Attachment II). The appropriation will be funded with intrafund transfer. The annualized cost of the S&EB and S&S will be included in the FY 2012-13 Recommended Budget.

Dissolution of the redevelopment agencies and reallocation of revenue beyond the agencies' enforceable obligations may result in underdetermined additional revenue to the County as these excess revenues, if any, are distributed back to taxing entities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Not Applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these recommendations will allow the County to proceed with its role in implementing the dissolution of redevelopment agencies as provided by ABx1 26, and help ensure the agencies are dissolved consistent with the law and that any resulting revenues due the County are protected.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:EFS:MKZ
CA:RTM:ib

Attachments (2)

- c: Executive Office, Board of Supervisors
- County Counsel
- Auditor-Controller
- Community Development Commission/Housing Authority

REDEVELOPMENT SUCCESSOR AGENCIES' OVERSIGHT BOARDS
Workplan and Timeline for Appointments, Training and Support

Action	Timeframe	Responsible Party
Resolve questions regarding eligible County and other agency appointments, including conflicts of interest	Week of January 30 th	County Counsel
Issue letter to all cities regarding appointments process and administrative support for boards	Week of January 30 th	Executive Officer of the Board
Identify groupings of boards which each nominee could serve on. The number of boards that a single member can serve on will vary depending on size and complexity of the agency.	Week of January 30 th	CEO and other team members
Identify any criteria and potential desirable qualifications for board members	Week of January 30 th	CEO and other team members
Obtain Board approval of conceptual mechanism for making County appointments to oversight boards	February 7, 2012	CEO
Meet with Board offices to solicit their needs and preferred approaches in appointment process; solicit names of nominees already identified.	Week of February 6 th	CEO and other team members
Identify prospective nominee categories (e.g., County employees, retirees, commissioners, non-profits, CBOs, professional associations, etc.) and develop list for Board consideration	Week of February 6 th	CEO and other team members, County departments, consultants
Coordinate with LAÇOE and County Board of Education on possible candidates	Week of February 13 th	CEO and other team members, consultants
Gather/develop training materials and manual for oversight boards	Complete by early March	County team, consultants
Confirm prospective nominees with Board offices.	Week of March 6 th	CEO and other team members
Coordinate with all confirmed nominees	Mid-March	CEO/Executive Officer of the Board
Place nominations of Board Agenda.	Target March 27 Agenda	CEO/Executive Officer of the Board
Coordinate the following on their appointments: <ul style="list-style-type: none"> • San Gabriel Valley Municipal Water District • Chancellor of the Community Colleges Districts • Cities 	Early April	CEO/Executive Officer of the Board, consultants
Provide training to boards in groupings	Throughout April	Consultants, team members
Provide administrative support, as necessary	April	Executive Officer of the Board
Determine space and logistical needs; make arrangements, as necessary	April	CEO/Executive Officer/BOS

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF BOARD OF SUPERVISORS

DEPT'S.
NO. 061

February 2, 2012

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2011-12

3 - VOTES

SOURCES

BOARD OF SUPERVISORS
A01-BS-6800-10010
Intrafund Transfers - \$427,000
DECREASE APPROPRIATION

USES

BOARD OF SUPERVISORS
A01-BS-1000-10010
Salaries and Employee Benefits - \$247,000
INCREASE APPROPRIATION

BOARD OF SUPERVISORS
A01-BS-2000-10010
Services and Supplies - \$180,000
INCREASE APPROPRIATION

SOURCES TOTAL: \$ 427,000

USES TOTAL: \$ 427,000

JUSTIFICATION

To request an increase in Salaries and Employee Benefits and Services and Supplies appropriation at no Net County Cost for the Redevelopment Oversight Commission. This appropriation adjustment reflects a five-month funding period beginning February 2012.

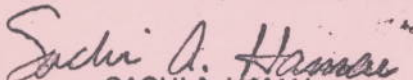
ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

45 - C FEB 14 2012



AUTHORIZED SIGNATURE Hanna Cheru

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)


SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☐ ACTION☒ RECOMMENDATION☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

AUDITOR-CONTROLLER

BY 

CHIEF EXECUTIVE OFFICER

BY 

B.A. NO. 158

February 3 2012

Feb 3 2012

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